

STATE RISK MANAGEMENT WORKERS COMPENSATION FUND
INVESTMENT PERFORMANCE REPORT AS OF MAY 31, 2005

| | May-05 | | | | April-05 | | | | March-05 | | | | December-04 | | | | September-04 | | | | Current | Prior Year | 3 Years | 5 Years |
|--|------------------|---------------|---------------|--------------|------------------|---------------|---------------|---------------|------------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|--------------|------------|------------|------------|
| | Allocation | Month | Policy | Net ROR | Allocation | Month | Policy | Net ROR | Allocation | Quarter | Policy | Net ROR | Allocation | Quarter | Policy | Net ROR | Allocation | Quarter | Policy | Net ROR | FYTD | FY04 | Ended | Ended |
| | Market Value | Actual | | | Market Value | Actual | | | Market Value | Actual | | | Market Value | Actual | | | Market Value | Actual | | | Net | Net | 6/30/2004 | 6/30/2004 |
| LARGE CAP DOMESTIC EQUITY | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Structured Growth</i> | | | | | | | | | | | | | | | | | | | | | | | | |
| Los Angeles Capital | 86,244 | 3.1% | 3.0% | 4.16% | 82,833 | 3.0% | 3.0% | -2.22% | 81,868 | 2.9% | 3.0% | -1.11% | 24,611 | 3.0% | 3.0% | 10.37% | 22,960 | 2.9% | 3.0% | -4.14% | 6.56% | N/A | N/A | N/A |
| Total Structured Growth | 86,244 | 3.1% | 3.0% | 4.16% | 82,833 | 3.0% | 3.0% | -2.22% | 81,868 | 2.9% | 3.0% | -1.11% | 24,611 | 3.0% | 3.0% | 10.37% | 22,960 | 2.9% | 3.0% | -4.14% | 6.56% | N/A | N/A | N/A |
| Russell 1000 Growth | | | | 4.84% | | | | -1.90% | | | | -4.09% | | | | 9.17% | | | | -5.23% | 2.06% | N/A | N/A | N/A |
| <i>Structured Value</i> | | | | | | | | | | | | | | | | | | | | | | | | |
| LSV | 86,146 | 3.1% | 3.0% | 3.83% | 83,037 | 3.0% | 3.0% | -2.49% | 90,574 | 3.2% | 3.0% | 1.62% | 26,502 | 3.2% | 3.0% | 9.01% | 25,038 | 3.2% | 3.0% | 3.21% | 15.77% | N/A | N/A | N/A |
| Russell 1000 Value | | | | 2.41% | | | | -1.79% | | | | 0.09% | | | | 10.38% | | | | 1.54% | 12.82% | N/A | N/A | N/A |
| <i>Russell 1000 Enhanced Index</i> | | | | | | | | | | | | | | | | | | | | | | | | |
| LA Capital | 168,457 | 6.0% | 6.0% | 2.86% | 163,853 | 5.9% | 6.0% | -2.50% | 172,798 | 6.2% | 6.0% | -1.04% | 51,912 | 6.3% | 6.0% | 9.28% | 48,911 | 6.2% | 6.0% | -1.68% | 6.63% | N/A | N/A | N/A |
| Russell 1000 | | | | 3.54% | | | | -1.84% | | | | -1.91% | | | | 9.80% | | | | -1.81% | 7.49% | N/A | N/A | N/A |
| <i>S&P 500 Enhanced Index</i> | | | | | | | | | | | | | | | | | | | | | | | | |
| Westridge | 174,040 | 6.2% | 6.0% | 3.21% | 168,720 | 6.1% | 6.0% | -1.87% | 166,147 | 6.0% | 6.0% | -2.08% | 50,444 | 6.1% | 6.0% | 9.47% | 47,526 | 6.1% | 6.0% | -1.99% | 6.39% | N/A | N/A | N/A |
| S&P 500 | | | | 3.18% | | | | -1.90% | | | | -2.15% | | | | 9.23% | | | | -1.87% | 6.17% | N/A | N/A | N/A |
| <i>Index</i> | | | | | | | | | | | | | | | | | | | | | | | | |
| State Street | 52,305 | | | 3.19% | 50,690 | | | -1.89% | 49,941 | | | -2.14% | 15,174 | | | 9.23% | 14,305 | | | -1.88% | 6.17% | N/A | N/A | N/A |
| Total Index | 52,305 | 1.9% | 2.0% | 3.19% | 50,690 | 1.8% | 2.0% | -1.89% | 49,941 | 1.8% | 2.0% | -2.14% | 15,174 | 1.8% | 2.0% | 9.23% | 14,305 | 1.8% | 2.0% | -1.88% | 6.17% | N/A | N/A | N/A |
| S&P 500 | | | | 3.18% | | | | -1.90% | | | | -2.15% | | | | 9.23% | | | | -1.87% | 6.17% | N/A | N/A | N/A |
| TOTAL LARGE CAP DOMESTIC EQUITY | 567,191 | 20.1% | 20.0% | 3.34% | 549,134 | 19.9% | 20.0% | -2.22% | 561,328 | 20.1% | 20.0% | -1.04% | 168,643 | 20.4% | 20.0% | 9.45% | 158,740 | 20.2% | 20.0% | -1.42% | 7.90% | N/A | N/A | N/A |
| S&P 500 | | | | 3.18% | | | | -1.90% | | | | -2.15% | | | | 9.23% | | | | -1.87% | 6.17% | N/A | N/A | N/A |
| SMALL CAP DOMESTIC EQUITY | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Manager-of-Managers</i> | | | | | | | | | | | | | | | | | | | | | | | | |
| SEI | 277,213 | 9.8% | 10.0% | 6.72% | 259,931 | 9.4% | 10.0% | -5.52% | 275,095 | 9.9% | 10.0% | -5.10% | 84,794 | 10.3% | 10.0% | 14.79% | 88,820 | 11.3% | 10.0% | -3.60% | 5.89% | N/A | N/A | N/A |
| Russell 2000 + 200bp | | | | 6.71% | | | | -5.56% | | | | -4.86% | | | | 14.64% | | | | -2.36% | 7.32% | N/A | N/A | N/A |
| TOTAL SMALL CAP DOMESTIC EQUITY | 277,213 | 9.8% | 10.0% | 6.72% | 259,931 | 9.4% | 10.0% | -5.52% | 275,095 | 9.9% | 10.0% | -5.10% | 84,794 | 10.3% | 10.0% | 14.79% | 88,820 | 11.3% | 10.0% | -3.60% | 5.89% | N/A | N/A | N/A |
| Russell 2000 | | | | 6.55% | | | | -5.73% | | | | -5.34% | | | | 14.09% | | | | -2.86% | 5.38% | N/A | N/A | N/A |
| CONVERTIBLES | | | | | | | | | | | | | | | | | | | | | | | | |
| TCW | 406,552 | 14.4% | 15.0% | 2.39% | 397,528 | 14.4% | 15.0% | -4.02% | 414,669 | 14.9% | 15.0% | -4.03% | 125,464 | 15.2% | 15.0% | 8.41% | 117,596 | 15.0% | 15.0% | -4.35% | -2.20% | N/A | N/A | N/A |
| Merrill Lynch All Convertibles | | | | 2.57% | | | | -3.30% | | | | -4.67% | | | | 5.37% | | | | -1.05% | -1.42% | N/A | N/A | N/A |
| DOMESTIC FIXED INCOME | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Core Bond</i> | | | | | | | | | | | | | | | | | | | | | | | | |
| Western Asset | 540,427 | 19.1% | 17.3% | 0.97% | 535,644 | 19.4% | 17.3% | 1.12% | 537,311 | 19.3% | 17.3% | -0.84% | 150,511 | 18.2% | 17.3% | 1.34% | 140,979 | 18.0% | 17.3% | 3.52% | 6.22% | N/A | N/A | N/A |
| Lehman Aggregate | | | | 1.08% | | | | 1.35% | | | | -0.48% | | | | 0.96% | | | | 3.20% | 6.22% | N/A | N/A | N/A |
| <i>Index</i> | | | | | | | | | | | | | | | | | | | | | | | | |
| Bank of ND | 660,029 | 23.4% | 26.0% | 0.82% | 654,038 | 23.7% | 26.0% | 1.16% | 634,757 | 22.7% | 26.0% | -0.78% | 189,775 | 23.0% | 26.0% | 0.40% | 177,414 | 22.6% | 26.0% | 2.54% | 4.16% | N/A | N/A | N/A |
| Lehman Intermediate Gov/Credit (1) | | | | 0.90% | | | | 1.14% | | | | -0.87% | | | | 0.44% | | | | 2.71% | 4.36% | -0.05% | 6.97% | 7.25% |
| <i>BBB Average Quality</i> | | | | | | | | | | | | | | | | | | | | | | | | |
| Wells Capital (formerly Strong) | 284,557 | 10.1% | 8.7% | 1.65% | 281,074 | 10.2% | 8.7% | 1.22% | 281,797 | 10.1% | 8.7% | -1.15% | 84,656 | 10.2% | 8.7% | 2.30% | 79,039 | 10.1% | 8.7% | 4.51% | 8.75% | N/A | N/A | N/A |
| Lehman US Credit BAA | | | | 1.67% | | | | 0.94% | | | | -1.57% | | | | 1.69% | | | | 4.76% | 7.61% | N/A | N/A | N/A |
| TOTAL DOMESTIC FIXED INCOME | 1,485,012 | 52.6% | 52.0% | 1.03% | 1,470,755 | 53.2% | 52.0% | 1.16% | 1,453,865 | 52.1% | 52.0% | -0.83% | 424,942 | 51.4% | 52.0% | 1.11% | 397,431 | 50.6% | 52.0% | 3.27% | 5.78% | N/A | N/A | N/A |
| Lehman Gov/Credit | | | | 1.25% | | | | 1.50% | | | | -0.67% | | | | 0.80% | | | | 3.56% | 6.56% | N/A | N/A | N/A |
| CASH EQUIVALENTS | | | | | | | | | | | | | | | | | | | | | | | | |
| Bank of ND | 86,577 | 3.1% | 3.0% | 0.26% | 86,389 | 3.1% | 3.0% | 0.25% | 86,174 | 3.1% | 3.0% | 0.69% | 22,834 | 2.8% | 3.0% | 0.53% | 22,808 | 2.9% | 3.0% | 0.44% | 2.19% | N/A | N/A | N/A |
| 90 Day T-Bill | | | | 0.27% | | | | 0.22% | | | | 0.57% | | | | 0.48% | | | | 0.37% | 1.92% | N/A | N/A | N/A |
| TOTAL RISK MANAGEMENT FUND | 2,822,546 | 100.0% | 100.0% | 2.20% | 2,763,737 | 100.0% | 100.0% | -0.98% | 2,791,132 | 100.0% | 100.0% | -1.76% | 826,677 | 100.0% | 100.0% | 5.00% | 785,397 | 100.0% | 100.0% | 0.31% | 4.71% | N/A | N/A | N/A |
| POLICY TARGET BENCHMARK | | | | 2.34% | | | | -0.66% | | | | -1.99% | | | | 4.45% | | | | 1.06% | 5.18% | N/A | N/A | N/A |

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Prior to April 1, 2004, the benchmark was the LB Govt/Credit index.